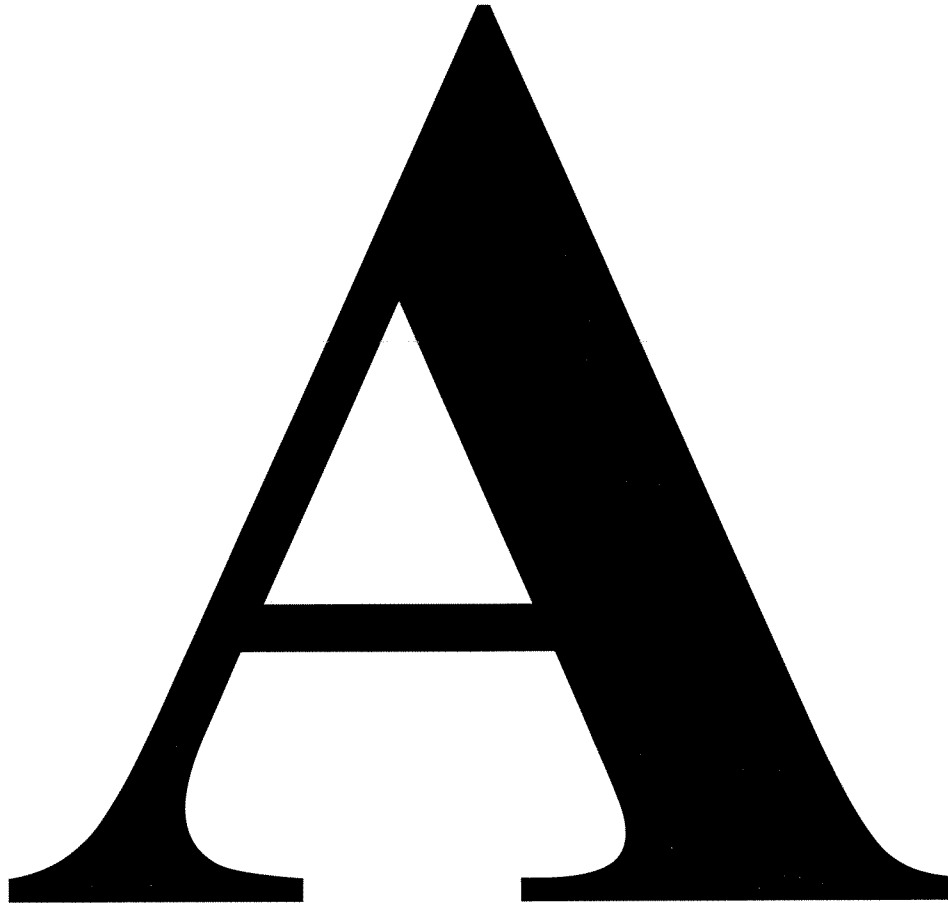


INDEX OF EXHIBITS

Exhibit A – Declaration of William C. O’Neil

Exhibit B – Declaration of Amy S. Paller

Exhibit C – Letters Written by Dr. Amy S. Paller



**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

MORTON GROVE PHARMACEUTICALS, INC.)	
)	
Plaintiff,)	
)	No: 08-CV-1384
v.)	
)	Judge Bucklo
THE NATIONAL PEDICULOSIS ASSOCIATION, INC.,)	Magistrate Judge Mason
)	
Defendant.)	
)	

DECLARATION OF WILLIAM C. O'NEIL

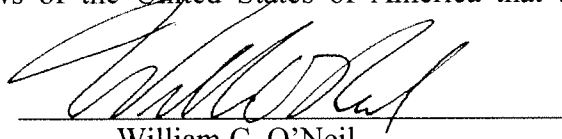
I, William C. O'Neil, Esq., being first duly sworn under oath, do depose and state that I am over the age of 18, have personal knowledge of the information contained in this declaration, and if I am called to testify as a witness in this matter, I would testify competently as follows:

1. I am an attorney at Winston & Strawn LLP and counsel to Dr. Amy Paller.
2. On July 16, 2008, I spoke with Wade Thomson at Jenner & Block LLP, counsel for the National Pediculosis Association, Inc. ("NPA"). I spoke with him in an effort to narrow the scope of the subpoena and arrive at a compromise that reduced the burden on Dr. Paller while providing the NPA the information it deemed essential.
3. The NPA refused to narrow the scope of the document requests.
4. The NPA refused to pay Dr. Paller's hourly rate.
5. The NPA refused to limit the length of the deposition to anything less than seven hours.

6. The NPA refused to accept only paper, in contrast to the paper and electronically stored information (“ESI”) data it requested.

7. My professional opinion is that Dr. Paller would need to hire an ESI vendor to properly gather, process, format, and produce the information the NPA requested. For an individual, the cost would likely be \$2500-\$5000.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.



William C. O'Neil

Executed on this 14th day of August, 2008.

B

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

MORTON GROVE)	
PHARMACEUTICALS, INC.)	
)	
Plaintiff,)	No: 08-CV-1384
)	
v.)	
)	Judge Bucklo
THE NATIONAL PEDICULOSIS)	Magistrate Judge Mason
ASSOCIATION, INC..)	
)	
Defendant.)	
)	

DECLARATION OF DR. AMY S. PALLER

I, Amy S. Paller, M.D., being first duly sworn under oath, do depose and state that I am over the age of 18, have personal knowledge of the information contained in this declaration, and if I am called to testify as a witness in this matter, I would testify competently as follows:

1. I am the Chair of Dermatology, Professor of Pediatrics, and Walter J. Hamlin Professor at Northwestern University's Feinberg School of Medicine. I see patients at Children's Memorial Hospital and at the Children's Memorial Outpatient Center at Glenbrook Hospital. I direct a clinical trials unit at Children's Memorial Hospital. As part of my responsibilities, I also run a laboratory.

2. In addition, I have many other professional responsibilities. I am a director of the American Board of Dermatology, an immediate past-President of the Society for Pediatric Dermatology, Assistant Editor of the Journal of the American Academy of Dermatology, and Associate Editor of the Journal of Investigative Dermatology. I serve on editorial boards of several other journals and on scientific advisory boards for several major

support organizations for patients, including the National Eczema Association for Science and Education and the National Psoriasis Foundation.

3. In addition, I am married and mother to three boys.

4. Right now, I am incredibly busy writing a grant, and I have two others to which I must turn after this one is complete. I expect these grants to consume every bit of my time during the next nine months that is not taken up by the time I spend running the Dermatology Department, seeing patients, running the laboratory, and running clinical trials. I am currently working more than 100 hours per week.

5. Regarding my work for Morton Grove Pharmaceuticals, Inc., I have agreed to serve as a reviewer of www.lindane.com. This task consumes only a very limited amount of time. In addition, I also wrote a few letters voicing serious concerns about state efforts to ban Lindane medications, an issue I feel strongly about.

6. My hourly rate is \$500/hour.

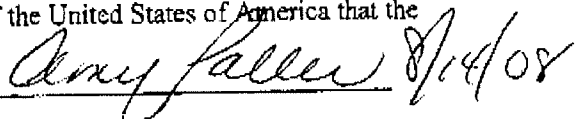
7. If I were compelled to testify, any testimony I give inevitably would be as an expert in pediatric dermatology. Similarly, any analysis of documents to determine relevance to the truth or falsity of any statements would be in the same capacity. My use of Lindane has been in that context, and any testimony about my experiences would be inextricably colored with my opinions as an expert in my field.

8. I have not been retained as an expert for this litigation by either party.

9. My rough impression from my files, both paper and electronic, is that I have retained no documents relating to www.lindane.com. I do have documents relating to scabies and lice generally, which are all publicly available.

10. Taking a full day out of my incredibly busy schedule is a heavy burden for me. My days (and nights) are filled with the work I described in the preceding paragraphs, work advancing the field of pediatric dermatology and treating patients who benefit from my help and expertise.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

 8/14/08

Amy S. Paller, M.D.

Executed on this 14th day of August, 2008.

C



Amy S. Paller, M.D.
Walter J. Hamlin Professor and Chair
Residency Director
Department of Dermatology
Professor, Dept. of Pediatrics
The Feinberg School of Medicine
Northwestern University

Medical School Office:
Department of Dermatology
Suite 1600
676 N. St. Clair
Chicago, Illinois 60611-2997
312.695.3721 Phone
312.695.0664 Fax

apaller@northwestern.edu

Children's Office:
Division of Dermatology #107
Children's Memorial Hospital
2300 Children's Plaza
Chicago, Illinois 60614-3318
773.327.3281 Phone
773.327-3448 Fax



**NORTHWESTERN
UNIVERSITY**

May 24, 2007

The Honorable Rebekah Warren
Chair of Great Lakes and Environment &
Honorable Members of the Committee
P.O. Box 30014
Lansing, MI 48909

Re: Legislation to Control Lindane Prescription Products

Dear Chairman Warren and Honorable Members of the Committee:

I am presently the Chair of the Department of Dermatology at the Feinberg School of Medicine and Northwestern Memorial Hospital. From 1988 until I became Chair of Dermatology at Northwestern in 2004, I served as head of the dermatology division at Children's Memorial Hospital in Chicago.

It has come to my attention that you are sponsoring legislation to restrict the use of lindane as a treatment of lice or scabies to in-office dispensation. I write to discourage you from passing such legislation.

Scabies and head lice are extremely uncomfortable conditions. If left untreated, scabies and lice infestations become almost intolerable. Unfortunately, the mite or insect, respectively, that causes these conditions may become resistant to a first-line therapy such as permethrin, and it is therefore necessary to have a variety of treatment alternatives. As a physician who regularly treats patients suffering from scabies and head lice, I can tell you that lindane products (lindane lotion and lindane shampoo) should be retained as out-patient prescribed second-line therapies for patients who have not responded to other treatment alternatives. There are few viable FDA-approved medication options, and the resistance to other agents is increasing in the United States.

I prescribed lindane to countless patients over a period of more than 25 years in practice. This goes back to a time when there were no other alternative therapies and lindane was the drug of choice. In my experience, lindane is safe and effective when used as directed, with avoidance of use in infants and neonates, patients with neurologic disorders or disorders with altered skin barriers, and in pregnant or lactating women, a relatively small proportion of the treated population. I have never seen a complication from lindane use other than skin irritation (no different in frequency from other currently available therapies).

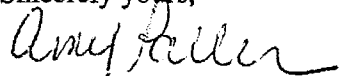
May 24, 2007

Page 2

I strongly urge allow lindane pharmaceutical products to be available for prescription. I cannot imagine any physician who would consider use of these products if required to dispense and administer treatment in their offices (would require having the facility to wash hair and shower, which most physicians do not have and will not add for this specific purpose). Although not frequently used, the safety profile of lindane does not justify these actions.

If you have questions or would like to speak with me about the medical issues related to these products, please feel free to contact me at 312-695-3721.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Amy Paller".

Amy S. Paller, M.D.
Walter J. Hamlin Professor and Chair
Department of Dermatology
Professor of Pediatrics
Feinberg School of Medicine
Northwestern University

ASP



Amy S. Paller, M.D.
Walter J. Hamlin Professor and Chair
Residency Director
Department of Dermatology
Professor, Dept. of Pediatrics
The Feinberg School of Medicine
Northwestern University

Medical School Office:
Department of Dermatology
Suite 520
645 N. Michigan Avenue
Chicago, Illinois 60611-2923
312.695.3721 Phone
312.695.0664 Fax

apaller@northwestern.edu

Children's Office:
Division of Dermatology #107
Children's Memorial Hospital
2300 Children's Plaza
Chicago, Illinois 60614-3318
773.327.3281 Phone
773.327-3448 Fax



**NORTHWESTERN
UNIVERSITY**

May 9, 2005

Senator Susan Garrett
Senate 29th District
129 Capitol Building
Springfield, Illinois 62706
Fax: (217) 782-2115 &
(847) 433-8002

Re: Legislation to Ban Lindane Prescription Products

Dear Senator Garrett:

I am presently the Chair of the Department of Dermatology at the Feinberg School of Medicine and Northwestern Memorial Hospital. From 1988 until I became Chair of Dermatology at Northwestern in 2004, I served as head of the dermatology division at Children's Memorial Hospital in Chicago.

It has come to my attention that you are sponsoring legislation to amend the Illinois Food, Drug, and Cosmetic Act to ban lindane as a treatment of lice or scabies. I write to discourage you and the Illinois General Assembly from passing such legislation.

Scabies and head lice are extremely uncomfortable conditions. If left untreated, scabies and lice infestations become almost intolerable. Unfortunately, the mite or insect, respectively, that causes these conditions may become resistant to a first-line therapy such as permethrin, and it is therefore necessary to have a variety of treatment alternatives. As a physician who regularly treats patients suffering from scabies and head lice, I can tell you that lindane products (lindane lotion and lindane shampoo) should be retained as second-line therapies for patients who have not responded to other treatment alternatives. If you ban lindane, you have removed a viable FDA-approved medication option.

I have prescribed lindane to countless patients over a period of more than 25 years. This goes back to a time when there were no other alternative therapies and lindane was the drug of choice. In my experience, lindane is safe and effective when used as directed, with avoidance of use in infants and neonates, patients with neurologic disorders or disorders with altered skin barriers, and in pregnant or lactating women, a relatively small

proportion of the treated population. I have never seen a serious complication from lindane use other than skin irritation (no different in frequency from other currently available therapies).

I strongly urge you not to ban lindane pharmaceutical products. Although not frequently used, the safety profile does not justify removal from the market. If you have questions or would like to speak with me about the medical issues related to these products, please feel free to contact me at 312-695-0197.

Sincerely yours,

A handwritten signature in cursive script, reading "Amy Paller". The signature is written in dark ink and is positioned above the typed name and title.

Amy S. Paller, M.D.
Walter J Hamlin Professor and Chair, Dept of Dermatology
Professor of Pediatrics
Feinberg School of Medicine
Northwestern University